

Message Text

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ACTION ARA-20

INFO OCT-01 EUR-25 ISO-00 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 AGR-20 L-03 DODE-00 PA-03 USIA-15 PRS-01 IGA-02

DRC-01 /199 W

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R 071140Z SEP 73

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 8833

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY PORT OF SPAIN

AMEMBASSY KINGSTON

AMEMBASSY LONDON

AMEMBASSY BRUSSELS

C O N F I D E N T I A L GEORGETOWN 1341

E.O. 11652: GDS

TAGS/ ETRD, EAID, GY, XL, EEC

SUBJ: EEC REPRESENTATIVES VISIT GUAYANA AT END OF CARIBBEAN TOUR

DISCUSS AID AND SUGAR

BRUSSELS FOR USEC

1. CLAUDE CHEYSSON AND MAURICE FOLEY, COMMISSIONER AND DEPUTY RESPECTIVELY FOR EEC'S GROUP 8 (COOPERATION AND DEVELOPMENT) SPENT SEPT 4 AND 5 IN GEORGETOWN DISCUSSING FUTURE EEC-CARIBBEAN AID AND SUGAR ARRANGEMENTS. FOLEY HAD TALKED EARLIER IN AUGUST WITH PM BURNHAM AND FONMIN RAMPHAL ON SUBJECT, (BOTH NOW IN ALGIERS).

2. PRESS REPORTS THAT AT CONFERENCE HERE WITH NEWSMEN ON SEPT 5, CHEYSSON REITERATED THERE WOULD BE NO EEC REQUEST FOR REVERSE
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PREFERENCES FROM COMMONWEALTH CARIBBEAN; EEC SIMPLY WANTS MFN

TREATMENT. CHEYSSON SAID TO HAVE OFFERED "BIG AID" PLAN FOR CARRIBBEAN AS WELL AS OTHER ASSOCIABLES. NO SPECIFICS OF AID PROPOSALS GIVEN IN PRESS. CHEYSSON PROBABLY WANTS TO SAVE GOODIES FOR BRUSSELS MEETING. IF AID TRULY "SUBSTANTIAL" AS CHEYSSON ALLEGEDLY ANNOUNCED, THIS APEARS IN CONFLICT WITH HIS REMARKS TO US OFFICIALS IN WASHINGTON RECENTLY. (CURRENT ECONOMIC DEVELOPMENTS, AUGUST 21, 1973 P. 21).

3. REGARDING SUGAR AGREEMENT, PRESS REPORT STATES THAT EEC WILL APPLY SAME CRITERIA TO ESTABLISH PRICES AS DOES COMMONWEALTH SUGAR AGREEMENT BUT GOES ON TO MENTION PAYMENT OF DIFFERENTIAL BETWEEN AGREED PRICE AND WORLD PRICE. INCONSISTENCY MAY STEM FROM REFERENCE BY SHEYSSON TO REFERENCE PRICE MECHANISM WHICH EEC FAVORS. (EMBASSY IS ATTEMPTING OBTAIN TAPES OF NEWS CONFERENCE TO RESOLVE AGREEMENT INCONSISTENCY AND WILL REPORT ANY FURTHER INFORMATION DEVELOPED.)

4. DURING FOLEY'S VISIT HERE SEVERAL WEEKS AGO BOTH GOG AND SUGAR PRODUCERS MADE STRONG POINT THEIR PREFERENCE FOR AGREEMENT BASED ON STRAIGHT NEGOTIATED PRICE WITH NO LATER REFERENCE TO WORLD OR OTHER PRICES. FOLEY REMARKED PRIVATELY THAT CHEYSSON HAD PENCHANT FOR AID-RELATED PRICING MECHANISM,FAVORING A SYSTEM WHEREBY DIFFERENCE BETWEEN THE AGREED PRICE AND ANY HIGHER WORLD PRICE WOULD BE PAID TO GOVT OF THE PRODUCING COUNTRY AS FORM OF AID. PRODUCERS NOT OVERWHELMED BY THIS, ESPECIALLY SINCE WORLD PRICES HAVE ONLY OCCASIONALLY BEEN HIGHER THAN NEGOTIATED PRICES. IF PRESS REPORTS AT ALL ACCURATE, CHEYSSON HAS BACKED OFF FROM HIS POSITION ON AID TO GOVTS, BUT MAY STILL BE HOLDING OUT FOR SOME KIND OF REFERENCE PRICE SYSTEM.
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